

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

TH1139 "SAWASDEE THAILAND" provides the latest information on Thai agricultural situation, market access for U.S. products and upcoming events.

General Information:

HOT NEWS

Flooding Slightly Affects Livestock, Poultry and Shrimp Industries

The Agricultural Disaster Monitoring and Resolution Center (ADMRC), Ministry of Agriculture and Cooperatives (MOAC) recently estimated that 13.823 million animals have been “affected by the current flooding situation in Thailand. Under Post’s estimates, it is believed that the impact will not be significant when analyzing the whole-year production cycle. For example, the affected swine population, as reported by the ADMRC, is 1.4 percent of the estimated 2011 total live swine population of 13.5 million head. Affected poultry accounts for 1.09 percent of total poultry production capacity of 1,200 million birds. The insignificant impact is attributed to the fact that the flooding has not occurred in a highly populated animal farming areas, especially the poultry production areas in the Northeast. Trade sources also agreed that shrimp production has suffered negligible losses as most production is located in the south of Thailand which has been spared.

However, flooding has generated consumer and producer uneasiness which has caused price shifts in several products. This effect is clearly visible in egg prices as consumers, fearing that the egg supply would be short, pushed-up demand 20-30 percent of their normal consumption. As a result, egg prices skyrocketed from an average of 3 baht/piece in mid October to 6-7 baht/piece in late October. In an attempt to ease this supply shock, the Ministry of Commerce imported 3 million pieces of egg from Malaysia in early November and promised that it will regularly import on a weekly basis to ensure sufficient supplies until the situation improves. The amount of imports are insignificant when compared to the total 27-28 million pieces/day (189-196 million pieces/week) supplied by domestic farms. As for the swine industry, the price shift for pork meat reverses itself. Trade sources reported that prices of live hog have declined from 80 baht/kg in August to currently 65 baht/kg as several hog farms sold heavily their hogs to hedge against any flood risks, causing a decline in hog prices.

Impact on the Food Retail Sector from the Flooding

The current flooding situation has had an across the board impact on all food sectors. The food retail sector is experiencing short-term impacts due to the temporary closure of some stores in certain flooded areas, logistical difficulties in the supply chain and a surge of demand as wary consumers stock up with supplies. To deal with a more robust supply chain, the major retailers have realized that in the long-term they will need to cautiously re-plan their distribution strategy by considering a wider geographical dispersion of their distribution centers. The surge in demand for several products was palpable as store shelves lay barren with foodstuffs especially drinking water, eggs, instant noodles, and canned foods. However, the situation is easing as the Government is allowing for the import of these foodstuffs and drinking water.

UPCOMING EVENS

U.S. Wheat Association’s Crop Seminar on November 15, 2011

U.S. Wheat Association (USWA) will conduct an annual crop seminar on November 15, 2011 at the Conrad Bangkok Hotel. The seminar will provide a review on the world supply and demand situation and outlook for wheat trade in MY2011/2012 marketing year and quality information on the six classes of US wheat. The presentation will be given by key U.S. wheat experts, including (1) Dr. David Shelton, Executive Director of the Wheat Marketing Center in Portland, Oregon; (2) Mr. Jim Peterson, Marketing Director of the North Dakota Wheat Commission in Mandan, North Dakota; and (3) Mr. Steve Wirsching, Director of US Wheat Associates, West Coast Office. Visit www.uswheat.org for more information.

American Hardwood Design Camp Workshop Postpone

Due to the flood situation, the American Hardwood Design Camp Workshop brainstorming event of the participants, which include eleven teams of students from architectural and design institutions plus 4 independent designer teams, has been postponed from October 25-28 to November 24-27, 2011. Please contact agbangkok@fas.usda.gov for more information.

Asian Regional Workshop on sustainable Food Production, Biotechnology and Biosafety

The Public Research & Regulation Initiative (PRRI), International Service for the Acquisition of Agri-biotech Applications (ISAAA) and International Food Policy Research Institute (IFPRI)/Program for Biosafety System/PBS), plan to organize an Asian workshop to address Rio de Janeiro+20 (Rio+20), the Cartagena Protocol on biosafety (CPB), CBD and the Commission on Sustainable Development-20 (CSD-20). The regional workshop will be held at Rama Garden Hotel on December 13-14, 2011 and aim is to discuss the topics of these events, how these global events are interrelated and outcomes of these events can be implemented at the national level. For further information, please contact: ifpri-pbs@cgiar.org, r.hautea@isaaa.org and/or info@pubresreg.org, with reference to "Regional Workshops Rio+20 - CPB - CBD - CSD20".

U.S. Corn DDGS - Optimizing DDGS Use in Swine Nutrition Seminar

The U.S. Grains Council will organize a seminar entitled "Optimizing DDGS Use in Swine Nutrition" will be held at Shangri-La Hotel on November 17, 2011. This event will provide information update in the areas of U.S. swine nutrition technologies and feeding practices and address DDGS concerns regarding performance effects, mycotoxins and economics. Dr. Robert Musser, a swine expert from Nutriquest in the USA, Mr. Matthew Clark of Feed Management Systems and Dr. Budi Tangendjaja, Southeast Asia Regional Technical Consultant of the U.S. Grains Council will share their expertise and experience on the aforementioned subjects. Please contact grains@grainsea.org for more information.

Upcoming Visitors:

- Mr. Yao Feng, Chief Representative for China and Southeast Asia, Anderson Hay & Grain Co., Inc., is scheduled to travel to Thailand from November 25-30. The purpose of his visit is to explore the market opportunities for U.S. hay exports to Thailand. The company shipped more than 200,000 tons of alfalfa to China in 2010.

- Michael A. Phillips, President/CEO, U.S. Livestock Genetics Export, Inc. and a group of Beefmaster Cattle Breeders are scheduled to visit Thailand from December 8-12, 2011. The purpose of the visit is to complete an EMP project that has been ongoing for the last two years in Thailand regarding the introduction of the Beefmaster breed of cattle with Thai cattlemen. During this visit the team will attend a Cattle Show in Nakhon Pathom Province and give a presentation on Beefmaster cattle.

- Mr. Frank M. Mercker from Arrowac Fisheries Inc is planning to do a customer visit in Thailand on November 22 & 23. Mr. Mercker has exported various seafood items to a few importers in Thailand. FAS/Bangkok provided him with a list of seafood importers that are key to increase U.S. seafood exports.